Proposal for Setting up of Aluminium Plants in Orissa

2455. SHRI RAHASBIHARI BARIK: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the proposal to set up some aluminium plants in the State of Orissa are pending with Government;

(b) if so, the details of those proposals;

(c) whether any such plant is proposed to be set up in the private sector; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) The manufacture of Aluminium metal and its down stream products has been exempted from the provision of compulsory licencing. The Parties which are interested in setting up new Aluminium Plants have simply to file an Industrial Enterpreneurs' Memorandum (IEM). As regards the Public Sector, there is no proposal to set up any new Aluminium Plant in the Public Sector in Orissa.

(b) Does not arise.

(c) and (d) M/s. Orissa Extrusions Ltd. (for manufacture of Unwrought Aluminium), M/s. Indian Aluminium Co. Ltd. (for manufacture of Aluminium not alloyed), M/s. Hindalco Industries Ltd. (for manufacture of Aluminium) and M/s. Sterlite Industries (I) Ltd (for manufacture of Aluminium Ingots) have filed Industrial Entrepreneurs' Memorandum with the Government.

Downgrading the Ratings of SAIL

2456. SHRIMATI VEENA VERMA: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the Investment Information and Credit Rating Agency has downgraded the ratings of the Steel Authority of India Ltd.;

(b) if so, how far the ratings in respect of the SAIL have been downgraded since March 1998 quarter-to-quarter; and

(c) the factors and elements contributing to down-grading of ratings?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) and (b) The ratings position since March, 1998 in respect of various debt programmes of SAIL is as under:—

Programme	Ratings as on 31.3.98	Change in Ratings		
		Qtr. I	Qtr. II	Qtr. III
Bond Issue	LAA—	No change	LA	No change
Fixed Deposit	MAA+	No change	MA+	No change
Short Term Deposit	A1+	No change	A1	No change

The revised ratings for Bond Issue and Fixed Deposit Programmes indicate 'Adequate Safety'. The revised rating for Short Term Deposit Programme indicates 'Highest Safety'.

(c) The Rating Agency has attributed the following factors for down-gradation:—

(i) The downgrade takes into account significant decline in profitability due to continued pressure on realisation.

(ii) Sluggish domestic demand coupled with additional offering from new entrants has kept realisations weak.

(iii) SAIL has not been able to pass on the accumulated input cost increases of the previous two years and the current year.

(iv) International steel prices have remained soft due to over capacity in the Asian region on account of recessionary trends in South East and Japanese economy.

(v) The low internal accruals have led to additional borrowings for the large ongoing modernisation programme, which has also witnessed cost and time overrun. This has further increased the gearing of the company.

(vi) Additional liabilities on account of support to be extended to sick and weak subsidiaries.

Expansion of Bauxite Mines

2457. SHRI BHAGABAN MAJHI: Will the Minister of STEEL AND MINES be pleased to state:

(a) the approved project cost of expansion of Bauxite Mines at Damanjodi and Aluminium Refinery of National Aluminium Company Ltd. (NALCO);

(b) the progress made in the implementation of the project; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) The approved project cost of NALCO's project for expansion of its Bauxite Mines and Alumina Refinery at Damanjodi is Rs. 1664.60 crores (June 1996 price level).

(b) and (c) the project is to be implemented within 51 months of the date of approval by the Government i.e. 18.12.96. The progress made so far (as on 20.11.98) is as follows:—

Tasks	In percentage
Basic Engineering	81.40
Detail Engineering	52.90
Ordering	44.00
Delivery	09.80
Construction	12.70
Over All	23.40

Shortfall in Consumption of Materials in the Steel Plants

2458. SHRI SURYABHAN PATIL VAHADANE: Will the Minister of STEEL AND MINES be pleased to state:

(a) the consumption of Iron (lump), Iron (fines), limestone and dolomite in the steel plants at Bhilai, Durgapur, Bokaro, Rourkela and IISCO from 1990-91 to 1998-99 (so far) year-wise, plant-wise, material-wise separately; and

(b) whether there is a shortfall in the consumption of the said materials at the plants; if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) and (b) The Consumption of iron ore (lump), iron ore (fines), Limestone and Dolomite in the Steel Plants at Bhilai, Durgapur, Bokaro, Rourkela and IISCO from 1990-91 to 1997-98 year-wise and for 1998-99 (till Sept. '98) are as under:

Plant-wise/Year-wise Raw Material Consumptions

UNIT '000T

CONSUMPTION OF IRON ORE LUMP

PLANT	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99
Bhilai	2694	3150	3228	3367	3595	3660	3591	3881	1831
Durgapur	1014	954	639	661	1104	967	1067	988	451
Rourkela	1098	1018	1126	938	956	1064	1104	839	406